

currently denied the benefits of the Act;

(c) Where any individual holding office or a responsible position with or having a substantial financial interest or share in the applicant is currently denied the benefits of the Act or was responsible in whole or in part for the current denial of the benefits of the Act to any person;

(d) Where the Administrator determines that the application is an attempt on the part of a person currently denied the benefits of the Act to obtain inspection service;

(e) Whenever the applicant, after an initial survey has been made in accordance with §354.34(a), fails to bring the plant, facilities, and operating procedures into compliance with the regulations within a reasonable period of time; or

(f) Notwithstanding any prior approval whenever, before inauguration of service, the applicant fails to fulfill commitments concerning the inauguration of the service. Each such applicant shall be promptly notified by registered mail of the reasons for the rejection. A written petition for reconsideration of such rejection may be filed by the applicant with the Administrator if postmarked or delivered within 10 days after the receipt of notice of the rejection. Such petition shall state specifically the errors alleged to have been made by the Administrator in rejecting the application. Within 20 days following the receipt of such a petition for reconsideration, the Administrator shall approve the application or notify the applicant by registered mail of the reasons for the rejection thereof.

#### **§ 354.36 Withdrawal of application.**

Any application for inspection service may be withdrawn by the applicant at any time before the service is performed upon payment, by the applicant, of all expenses incurred by the Service in connection with such application.

#### **§ 354.38 Suspension of plant approval.**

(a) Any plant approval given pursuant to the regulations in this part may be suspended by the Administrator for:

(1) Failure to maintain plant and equipment in a satisfactory state of repair;

(2) The use of operating procedures which are not in accordance with the regulations in this part; or

(3) Alterations of buildings, facilities, or equipment which cannot be approved in accordance with the regulations in this part.

(b) During such period of suspension, inspection service shall not be rendered. However, the other provisions of the regulations pertaining to providing service on a resident basis will remain in effect unless such service is terminated in accordance with the provisions of this part. If the plant facilities or methods of operation are not brought into compliance within a reasonable period of time, to be specified by the Administrator, the service shall be terminated. Upon termination of inspection service in an official plant pursuant to the regulations in this part, the plant approval shall also become terminated, and all labels, seals, tags or packaging material bearing official identification shall, under the supervision of a person designated by the Service, either be destroyed, or the official identification completely obliterated, or sealed in a manner acceptable to the Service.

#### **VIOLATIONS**

#### **§ 354.45 Denial of service.**

(a) The acts or practices set forth in §§354.46 through 354.51 or the causing thereof may be deemed sufficient cause, for the debarment, by the Secretary, of any person, including any agents, officers, subsidiaries, or affiliates of such person, from any or all benefits of the Act for a specified period after notice and opportunity for hearing has been afforded.

(b) Whenever the Administrator has reason to believe that any person or his employee, agent, or representative has flagrantly or repeatedly committed any of the acts or practices specified in §§354.46 to 354.51, he may, without hearing, direct that the benefits of the Act be denied such person, including any agents, officers, subsidiaries, or affiliates of such person, pending investigation and hearing, and shall give notice